



Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

ECONOMIC TRENDS

Idaho, with a 2.8 percent unemployment rate, was one of five of the contiguous states with April rates below 3 percent. Except for Nebraska, which also had a 2.8 percent rate, the others all border Idaho – Wyoming at 2.9 percent, Utah at 2.5 percent and Montana at 2.2 percent – and that puts eastern Idaho right in the middle of extremely low unemployment. These low rates attract workers to the Rocky Mountain area and business that want to take advantage of the low cost of doing business.

Regionally, the impact is shown by an increase of 700 people in the civilian labor force in just the Pocatello Metropolitan Statistical Area from April 2006 to April 2007. And these people are finding work. There were 300 fewer unemployed workers during the same period. All counties in the region experienced similar year-over-year unemployment rate decreases as shown in Southeastern Idaho Table 2.

Led by increased employment in food manufacturing and construction the Pocatello metropolitan area added 340 jobs in goods-producing industries year-over-year while the service sector added only 200. Nationwide, the trend has been larger increases in the service sector than goods-production.

Southeastern Idaho Table 2: Unemployment Rate History

County/Area	April 2006	April 2007	% Change
Bannock	3.6%	2.9%	-0.7
Bear Lake	3.4%	2.5%	-0.9
Bingham	4.1%	2.9%	-1.2
Caribou	4.5%	3.2%	-1.3
Franklin	3.0%	1.9%	-1.1
Oneida	2.2%	1.9%	-0.3
Power	4.7%	2.9%	-1.8
State of Idaho	3.5%	2.8%	-0.7

Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment Bannock and Power counties

	Apr 2007*	Mar 2007	Apr 2006	% Change From Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	44,900	44,030	44,130	2.0	1.7
Unemployment	1,300	1,360	1,600	-4.4	-18.8
% of Labor Force Unemployed	2.9	3.1	3.6		
Total Employment	43,600	42,670	42,530	2.2	2.5
<i>Unadjusted</i>					
Civilian Labor Force	45,680	44,890	45,090	1.8	1.3
Unemployment	1,360	1,650	1,640	-17.6	-17.1
% of Labor Force Unemployed	3	3.7	3.6		
Total Employment	44,320	43,240	43,450	2.5	2.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS					
<i>Goods-Producing Industries</i>	5,790	5,640	5,450	2.7	6.2
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	1,920	1,820	1,840	5.5	4.3
Manufacturing	3,840	3,790	3,580	1.3	7.3
Food Manufacturing	1,300	1,300	1,060	0.0	22.6
Fabricated Metal Product Manufacturing	160	160	170	0.0	-5.9
Machinery Manufacturing	280	290	240	-3.4	16.7
Other Manufacturing	2,100	2,040	2,120	2.9	-0.9
<i>Service-Providing Industries</i>	34,150	34,120	33,950	0.1	0.6
Trade, Transportation & Utilities	7,440	7,410	7,350	0.4	1.2
Wholesale Trade	1,340	1,330	1,320	0.8	1.5
Retail Trade	4,730	4,710	4,550	0.4	4.0
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1,320	1,320	1,430	0.0	-7.7
Information	700	700	670	0.0	4.5
Financial Activities	2,200	2,160	2,100	1.9	4.8
Professional & Business Services	5,780	5,710	5,510	1.2	4.9
Educational & Health Services	3,400	3,400	3,440	0.0	-1.2
Leisure & Hospitality	3,370	3,370	3,400	0.0	-0.9
Other Services	1,170	1,170	1,160	0.0	0.9
Government Education	6,000	6,070	6,010	-1.2	-0.2
Government Administration	4,090	4,130	4,310	-1.0	-5.1

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

AREA INTERESTS

- Southeastern Idaho hosted world class entertainment this spring starting with Idaho State University alumnus and pianist Roger Williams, who played to a full house in Jensen Hall in the Stephens Performing Arts Center. The audience erupted into a long standing ovation following the two-hour concert. The area also hosted three performances of Andrew Lloyd Webber's famous Broadway musical, Cats.

- More than 750 groundwater users have at least temporarily headed off the shutdown of pumps that supply water to their farms, dairies and businesses across much of eastern Idaho. But the legal wrangling over the relationship and use of groundwater and surface water all across southern Idaho is continuing.

LOCAL DEVELOPMENTS

BANNOCK COUNTY

- The 16th annual business symposium, sponsored by Bannock Development Corp., had the largest attendance — nearly 400 — since its inception, and it garnered positive reports. Executive Director Gynii Gilliam reported that more than 900 jobs had been created in 2006 through the efforts of the development group and predicted even more in the future. In 2006, the corporation courted 35 businesses that made Bannock County site visits. Several have put Bannock County at the top of their lists for relocation or expansion in 2007. Gilliam also announced two recent additions to the Pocatello area. Hampton Custom Builders, which makes pre-manufactured buildings will open in Gateway West and employ about 100 people by late summer. United Pipe and Supply, a Portland, Ore.-based company, has purchased Shaver Industrial Supply and intends to expand business operations, adding five to 10 additional staff.
- Bannock County Commissioners are evaluating other options to fund the county-owned Portneuf Medical Center's renovation and expansion. While there is enough money for the current phase, a recent Idaho Supreme Court ruling clouded the plans for bonding to finance the next two phases. The community and medical staff are working with the commissioners, and a decision is expected in early August.
- The Federal Aviation Administration has given Pocatello 95 percent of the nearly \$1.2 million needed to upgrade and remodel the Pocatello airport. The majority of the work will involve expanding long- and short-term parking, upgrading the passenger boarding area and adding a covered walkway for passengers boarding planes.
- As new construction along East Center Street in Pocatello continues, with additional buildings to begin later this summer, the area is beginning to look like a distinct business complex. The Hampton Inn & Suites and a TownPlace Suite by Marriott are scheduled to open early this summer,

and a Holiday Inn Express is expected to begin construction later in the summer. Several medical facilities, two title companies, three financial institutions and three gas stations combine to make the area a business hub.

- The Groom Room, a full-service pet grooming shop, opened in Pocatello and will employ three people. Sharon Marotto, owner and operator, has groomed dogs for 30 years and has experience in showing dogs.
- The rising popularity of biodiesel fuel has found an outlet by way of a Pocatello Stinker Station that recently began selling it. The fuel is less expensive and burns cleaner than traditional diesel fuel. The city of Pocatello is going to start using the fuel in nine municipal trucks to evaluate the possibility of converting the entire city fleet to biodiesel.

BEAR LAKE COUNTY

- Ground was broken for Bear Lake Stone, which will be the anchor tenant in the new Montpelier Industrial Park. The park is ready for more tenants, and it appears it will soon be full. A truck wash, which will employ 10 people, and a prefabrication operation have indicated they will lease spots in the new industrial park.
- County planning and zoning officials are evaluating the impact of Bear Mountain Resort, which is scheduled to start construction later this summer. It will be a couple of years before the community feels the impact of the resort and added employment although there will be at least a dozen construction workers on site this summer. One of the developers believes natural growth will bring 100 families to the area in the next five years.
- The Bear Lake Planning and Zoning Board is preparing to revise land use ordinances, conduct impact analysis and develop a community master plan. Whisper Mountain Professional Services Inc. was hired to assist with the planning along with developing an emergency management program and providing technical and legal support. A survey of county residents to gather public input will kick off the process. The project is to be completed by late summer 2008.
- A new committee is conducting a feasibility study regarding the need for a new county jail. Ormond Builders provided two cost estimates — \$5.9 million for a stand-alone jail and \$8.6 million for a

jail and courthouse. A bond election to fund the jail is tentatively planned for February 2008. The Swanson Foundation is paying for the study.

- Dr. Joe Podany, a general, trauma and bariatric surgeon, is relocating his practice from Idaho Falls to Bear Lake Memorial Hospital. Podany was recruited to the area through the combined efforts of Caribou Memorial and Bear Lake Memorial hospitals. He will provide services to both the facilities. The area will also benefit from the knowledge and expertise of his wife Karen, who is a registered nurse with experience in medical risk management and as a legal adviser on medical matters.

BINGHAM COUNTY

- The residents of Bingham County overwhelmingly passed funding for a mosquito abatement district. Ninety-seven percent of the voters approved a measure, which will allot an additional one-tenth of a percent of property taxes to fund spraying and other extermination methods.
- Shelley School District voters approved a \$12 million school bond by a 74 percent margin. The funds will be used to purchase land for a new elementary school and renovation of Stuart Elementary. The new school will be the third elementary school in the district and will house about 500 students. Acquiring the property is just the first phase of the 10- to 12-year plan.
- A Multipurpose Event Center for the Eastern Idaho State Fairgrounds moved a step closer to reality when Bingham County commissioners agreed to sponsor an application for a \$500,000 Idaho Rural Community Block Grant. The grant will help pay for a \$4.7 million, 40,000-square-foot events center. Other funding may come from the federal Economic Development Administration and SMG, a private firm based in Philadelphia that has indicated it could invest \$2.7 million for a long-term contract to manage the center. The firm has had the management contract for the Idaho Center in Nampa the last two years. SMG was founded in 1977 and operated the Louisiana Superdome when it first opened.
- Water sport enthusiasts and picnickers in southeastern Idaho were recently assured that one of their favorite recreational areas, Jensen Grove Park, will have enough water this summer to maintain high levels. The city of Blackfoot used a \$250,000 federal grant to purchase the rights for

42 cubic feet per second of Snake River water from the New Sweden Irrigation District. Additionally, Basic American Foods donated \$5,000, and the Blackfoot Urban Renewal Agency pledged \$25,000 toward the construction of restroom facilities at the park to be completed this summer.

CARIBOU COUNTY

- Monsanto hosted Millionaire Camp Idaho, an educational program developed by Northwest Nazarene University students, enhances understanding of financial matters. The event, held in the Soda Springs High School gym, is a fast-paced program that teaches personal financial literacy through an interactive game. This pilot program, which was also supported by Agrium, is planned to be rolled out to communities throughout Idaho this fall.

FRANKLIN COUNTY

- Although the long-time owner and operator Sandra Hubbard of Hubbard Packing in Preston has retired, the business will stay open. Hubbard sold to her niece, Kris Bullock, who has renamed it Double K Custom Meat Packing. The 36-year-old business has many customers, some as far away as Big Piney, Wyo.
- Heritage Home, the older adult living center in Preston has added 9,500-square feet to its living area, creating 13 suites with larger living rooms, bedrooms and kitchenettes for single or double occupancy. The dining and commons area are also being expanded. The additional space will give Heritage Home a total of 30,000 square feet and two additional buildings for future expansion.
- Improvements to Fairview and Preston water systems and firefighting upgrades will result in lower fire insurance premiums for residents of both communities. The Idaho Surveying and Rating Bureau recently evaluated the area and reduced insurance ratings from class 5 to class 4. Local insurance agents said the change in ratings should lower fire insurance premiums about \$40 per year on a \$150,000 house.

ONEIDA COUNTY

- Malad City was awarded a \$400,000 Community Development Block Grant and federal loan to help fund an upgrade to the city's domestic water system. The residents approved a bond to repay the loan in 2005, and officials believe another grant will be awarded later to help fund a new water storage tank.

- Irrigation water appears to be adequate this year because Daniels Reservoir is filled to capacity for the first time in seven years. Wise management of water last year resulted in a record carryover which was sufficient to fill the reservoir despite having only 86 percent of average precipitation so far this year.
- Residents of Oneida County defeated a bond issue that would have financed a new 64-bed jail. The bond required a two-thirds majority to pass and received only 56 percent.
- Oneida County should double the money it spends on road maintenance, according to a final draft of the Oneida County/Malad City Transportation Plan by Keller Associates. The plan was intended to help the local jurisdiction plot a course for growth and quantify priorities. Although recent budgets will not support increased road maintenance spending, the study qualifies the county and city to apply for Idaho Department of Transportation grants.

POWER COUNTY

- Power County property owners are likely to see an increase in property taxes this year due to increasing home values in the area and a State Tax Commission ruling stating the county was out of compliance with the method for calculating the value of homes. Most properties affected will be in the \$100,000 to \$150,000 value range. Tax assessments will likely increase between \$250 and \$300 on properties in that price range.
- High school students in the American Falls School District will be able to earn college credits through a concurrent enrollment option with Idaho State University. Students will be able to take classes in calculus, Spanish, English, government and U.S. history while attending high school.

Scott Hobdey Regional Economist
430 N. 5th Ave., Pocatello, ID 83205
(208) 236-6710, ext. 3713
E-mail: scott.hobdey@labor.idaho.gov

IDAHO COMMERCE & LABOR RELEASES JUNE ECONOMIC INDICATORS

The following is a partial listing of economic indicators that will be available on the labor market information Web site June 18 at lmi.idaho.gov.

Idaho ranked fifth nationally in nonfarm job growth during 2006 and in the first quarter 2007, making it one of the most economically robust states in the country. *Source: U.S. Bureau of Labor Statistics*

Idaho's Gross State Product

The total value of all the goods and services produced in Idaho exceeded \$49.9 billion in 2006, up 8.8 percent over 2005's \$45.9 billion, the fifth highest growth rate in the nation. And Idaho's **real** gross state product was up 7.4 percent to lead the nation. Since 2003, Idaho's inflation-adjusted gross state product has increased over 24 percent, the highest rate of any state. Manufacturing, real estate, construction and retail trade were the major contributors to the state's growth. Since 2003 durable manufacturing has grown 86 percent, second only to Nevada. While durable manufacturing has declined as a percent of the national gross product over that period, it has risen in Idaho from 7.8 percent in 2002 to over 11 percent in 2006. *Source: U.S. Bureau of Economic Analysis*

Business Growth

In 2006, 29,883 new businesses filed with the Secretary of State, positioning Idaho as sixth in the nation for creating new businesses and fourth nationally in the growth of venture capital investment. This was a 5 percent increase over 2005. *Source: Idaho Secretary of State*

Job Growth

Our economy created 16,000 new nonfarm jobs between May 2006 and May 2007, a 2.5 percent increase to 656,400. Nationally, the increase in jobs was 1.4 percent over the year. Idaho's growth is being driven by retail, finance, health care, hotels and restaurants.

High-tech employment appears to have bottomed out in 2003 at 52,127. Job growth in this sector is slowly gaining again, adding over 1,100 jobs in 2006 to reach 55,826, 2,300 jobs short of the 2001 peak of 58,159.

Of the 20,000 new jobs forecast from mid-2007 through mid-2008, the increases will be in retail construction and educational, administrative, health care and social assistance services. The increase in production-sector jobs will run around 5,000 - most of them in construction. *Source: Idaho Commerce & Labor.*